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A Comparative Study between Army Civilian Workforce and Private Industry Workforce Workers' Compensation Claims Management

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Workers' Compensation Claims Management

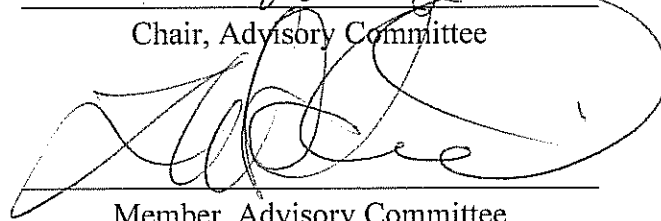
By

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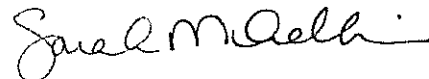
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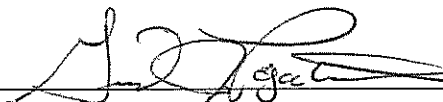
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A Comparative Study between Army Civilian Workforce and Private Industry Workforce

Workers' Compensation Claims Management

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Submitted to the Faculty of the Graduate School of
Eastern Kentucky University
in partial fulfillment of the requirements
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DEDICATION

This thesis is dedicated to all the courageous soldiers, sailors, airman and civilians fighting to protect the freedoms of our great nation. Your bravery, hard work, and dedication will be forever appreciated.

ACKNOWLEDGMENTS

I would like to thank my parents Beverly and Bill Abney for their continual support, encouragement, and optimism every step of the way. Thank you for being astonishing mentors and for serving as my over-the-phone encyclopedias. I am truly blessed and will work diligently to be as accomplished as you both. I would also like to thank Mario for his love, continuous support and for allowing me to read my thesis out loud and numerous times. Tim Portale, thank you for your guidance, patience and expertise throughout this project. To my second father Ron Hopkins, thank you for believing in me and for all the encouragement throughout my safety career.

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I would also like to thank my professional mentors; Dr. Brenda Miller and Ms. Tamara Nazario. Thank you for teaching me everything you know about the Army, for always believing in me and for challenging me to aspire to my fullest potential. Most importantly, you've taught me that with hard work, commitment and training my career opportunities are endless. From the bottom of my heart I thank you both!

Finally I leave you with this quote, a great professor once said, "Remember, it's always about the money!"

ABSTRACT

Hart, Melanie Claire. Eastern Kentucky University. May/2014. A Comparative Study between Army Civilian Workforce and Private Industry Workforce Workers' Compensation Claims Management. Major Professor: Scotty Dunlap, EdD.

This study compares the Department of the Army, Civilian Worker's Compensation Program to the Private Industry Workforce Worker's Compensation Program. Quantitative research is implemented throughout the study and will compare the cost of workers' compensation (WC) claims between the Army and Private Industry. Ultimately, the study will analyze the following items; (a) the Army's current WC program and case management procedures, (b) the description of a gold standard private industry WC program and case management procedures, and (c) a comparison of the costs and outcomes of both programs.

Specific research and methodology included an investigation of the Army and Private Industry Workers Compensation doctrine, programs, and policies to gain a greater understanding of what is being implemented and why the private industry workforce serves as a golden standard. Interviews have also been conducted with case managers and safety and occupational health specialist from both workforces. Additionally, the final step included a cost analysis of carpal tunnel workers compensation claims that have been filled from 2008-2012.

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CHAPTER 1

INTRODUCTION

Background

Over the last 10 years more than \$2 billion dollars was spent in direct costs associated with occupational injuries and illnesses for the Department of the Army Civilian (DAC) Employees (USAC/SC, 2005, p. 2). From 2002 until 2012, the Army has spent a high-corresponding dollar amount for Workers Compensation (WC) costs. Recent statistics compiled by the United States Army Combat Readiness/Safety Center (USACR/SC) and retrieved from the Defense Portal Analysis Center, Defense Civilian Personnel Advisory Service (DedfPAC) Database show that the overall cost for injuries and illnesses continues to increase (DedfPAC, 2012, p. 2). Most importantly, over the past ten years, there has been no improvement in the amount of money spent in WC costs.

At this time, the Army is experiencing rigorous downsizing and budget restrictions. The associated budget cuts will require the Army to address elevated WC costs and identify corrective actions to help control the associated cost. The factual data provided by the USACR/SC (2012) clarifies that the direct costs associated with occupational injuries is a significant amount. All injury and illness expenditures are allocated from the Army's budget which requires using resources that are essential for other operations and other necessary services.

Purpose of the Study

The purpose of this research project is to compare and contrast the Worker's Compensation (WC) Case Management process for the Army civilian workforce verses best practice in the Private Industry workforce.

The topics selected for investigation are related to the following: (a) the Army's current WC program and case management procedures, (b) the description of a gold standard private industry WC program and case management procedures, and (c) a comparison of the costs and outcomes of both programs. The private industry organization used as the gold standard will be identified as Company 1 throughout the study. Company 1's WC program has been recognized as one of the best managed programs in the United States and has received several national awards for the efficiency and cost effectiveness of their program. Company 1's program will serve as an industry best practice model when compared to the Army's WC program

Potential Significance

This study will compare the total costs associated with Carpel Tunnel Syndrome injuries for civilian workers in the Army verses a leader in private industry and identify specific mechanisms by which the Army can reduce costs through the use of more effective and efficient Case Management strategies currently used in private industry.

Definition of Terms

For the purpose of this study, the following definitions will apply:

- 1) Workers Compensation (WC) can be defined as a system where the employer must pay or provide insurance to pay the lost wages and medical expenses of an employee who is injured on the job. The system was designed to protect the employees.
- 2) Case Management is used continuously throughout the WC process. Case Managers perform case management by creating and maintaining close relationships with the injured employee, employer, and physician. The case manager assists the employer in decreasing WC and health care costs, coordinates injured workers return to work by serving as a liaison between the employer, the physician, and the employers. The case manager monitors the injured employee's progress and provides detailed reports for the employer and insurance company.

Assumptions

Only one assumption has been made within the scope of this research, that being the cost data provided by both organizations is accurate and has not been altered.

Limitations

1. This research project will only use data for the specific injury of Carpel Tunnel. Other injuries may cost significantly more and result in longer time away from the job setting.

2. Private industry data used in this study is reported in cost per injury and Army data used in this study was reported as lost work days and not necessarily only by cost.
3. A different treatment regimen for the same injury often occurs, resulting in variance in injury cost and time away from work.
4. Only a total of 30 employee injury cases were used in the study. A power analysis was not used and this can affect the rigor of the study.
5. Litigation costs were not identified in the total cost amounts.

Organization of the Study

This study is presented in chapters as follows. Chapter 1 provides an introduction that establishes the purpose of the study and identifies the relevance of the research and analysis.

Chapter 2 presents a review of the literature pertaining to the study. A variety of literature is reviewed in the areas of workers compensation, case management principles, Army WC data and statistics, Army WC programs, and the interdisciplinary model of care.

The methodology of this study is explained in Chapter 3. Quantitative research is used as the primary type of research throughout the study. The chapter also identifies the specific quantitative research tools and databases that were utilized to extract WC data and cost amounts from both workforces. Qualitative research will be incorporated

into the study and used to analyze the WC programs, policies, and procedures within the organizations.

Chapter 4 will conclude this study; the chapter will include the statistical data and analytical data results that were discovered through data comparison and analysis procedures. The chapter also includes thorough discussion of the final research findings, why Company 1 serves as a gold star best practice, and how the Army program can make improvements.

CHAPTER 2

LITERATURE REVIEW

This study seeks to expand research on the importance of workers compensation, case management, and return to work programs. The literature review will explore the Worker's Compensation program, analyze how well the Army uses the Worker's Compensation program and incorporates case management principles, and finally determine which case management styles and principles are most effective for an organization.

The Evolution of Workers Compensation

Workers Compensation (WC) is a program used throughout the history of our country's workforce. Early stages of WC were focused on keeping employees motivated while working in hazardous environments and using large machinery. During the industrial revolution many employees suffered from injuries and illnesses that were costly in terms of health care and had an effect on their long term employment (Clark, 2011). Before WC was developed in America, civil law suits were the only methods available for employees who were injured and seeking compensation (Clark, 2011). WC programs were developed to assist in the employee's health and safety. If an employee is injured on the job, the employer is responsible for paying or providing insurance to pay medical expense and lost wages. Currently, WC laws are implemented in every state, however program oversight will vary. The overall goal is that injured employees receive the necessary medical care and rehabilitation to return to work as soon as

possible. An employee's lost work time can severely affect a business' productivity. WC programs have been criticized and classified as an expensive way of doing business, because employees often take advantage of WC programs, money, and benefits. In addition, inappropriate utilization of medical services can prolong an employee's time off from work which can negatively affect their life and finances. When the employee's case is not appropriately recorded, tracked, and managed, the program's purpose is defeated and the quality of a person's work experience as well as their quality of life can diminish significantly. In contrast, a well organized and implemented WC program can be cost effective and create a safe and healthy workplace for an organization and the individual employee.

Case Management Principles

One of the main components of a successful WC program is an efficient Case Management process. Case management first originated after World War II in 1945 (United States General Services Administration (GSA) n.d.). During this time, wounded soldiers were sent home with devastating injuries. The injuries required intricate medical care and rehabilitation measures in order for them to recover and reenter a civilian lifestyle. Case Management assured the coordination for all the treatment providers and their services to assure the soldiers received the best care allowing them to return to a full and active life in the most efficient time period. Their goal was to get the wounded warriors well, through the quickest approach. At the time, it was imperative to get the soldiers back to work and prepared to manage their multifaceted

problems. Almost immediately, the military branches began to distinguish a need for case management.

The Case Management Society of America (CMSA), a non-profit organization established in 1990, defines case management as, “A collaborative process of assessment, planning, facilitation, care coordination, evaluation, and advocacy for options and services to meet an individual’s and family’s comprehensive health needs through communication and available resources to promote quality cost effective outcomes,” (CMSA, 2008, p. 5).

In other words, case management is used to identify and coordinate all levels of services to obtain the most effective services available at the lowest cost possible. Case management systems should be evaluated for their effectiveness and to identify any deficiencies. Specific methods of evaluation include measuring the consumer satisfaction, process, outcomes, and program cost effectiveness (Martin, 1995). In order for cases to be managed effectively, cases must be assigned to employees with adequate knowledge and education necessary to manage injured worker needs. In addition, case managers must have a reasonable number of cases to manage in order for them to have the time for the correct oversight of those cases. For example, one individual being held accountable for 2,000 employee cases could lead to a program failure due to the fact that one case manager would not have the time to review and effectively coordinate each of the assigned cases.

The Army is currently experiencing rigid budget cuts. Due to stringent monetary restraints, the Army has become more alert and concerned about the cost of the

Workers Compensation Program for Civilian employees. In 2011, over \$174 million was spent on workers compensation and 80% was spent towards long-term claimants who never returned back to work (Crowley, 2006). With this in mind, the Army has acknowledged the need of a more efficient WC program when an injury occurs where supervisors report the injury, follow-up on the injury, send the claim to the Injury Compensation Program Administrator's (ICPA) office, follow up with the injured employee, and keep meticulous records and time cards of employees injury, all in a reasonable time frame. It is the ICPA's responsibility to guarantee that injured employees are receiving the necessary treatment required to return to work and to guarantee that the program is managed effectively. On average, a claims examiner could be responsible for managing 600-800 cases, therefore claims are often overlooked, undermanaged, or poorly managed (Crowley, 2006).

When undergoing the evaluation process for the Army WC program, it is imperative to analyze other organizations' best practices, policies, and procedures. An example of this is the Tobyhanna Army Depot Workers Compensation Program (Crowley, 2006). Over the past few years, the depot has seen an increase in their overall WC program success rate. After a recent process evaluation of their program, new guidelines on how to handle a new workplace injury were created. The guidelines are as follows:

- 1) The employee is required to process through the ICPA
- 2) All program benefits and responsibilities are explained to injured employees

- 3) A commitment (from the employee) to return to light duty is obtained
- 4) Treating physicians are contacted by letter explaining Tobyhanna's willingness to accommodate restrictions
- 5) The employee is contacted at home on a frequent basis
- 6) Home visits are completed as needed
- 7) close communication is maintained with the Office of Workers Compensation Programs (OWCP)
- 8) All available Department of Defense (DoD) incentive programs are utilized to facilitate return to work of injured employees
- 9) Every effort is made to ensure that all injured employees receive the benefits to which they are entitled (Crowley, 2006, p. 19-20).

After Tobyhanna implemented the following procedures in their program, the Depot saved over \$10 million, and the total average cost per claim decreased and continues to decline each year. Most importantly, since 2000, every employee with a work-related injury or illness has successfully returned to work (Crowley, 2006, p. 19).

Other important concepts when managing an effective Workers Compensation Program include recordkeeping and reporting every injury and illness that occurs within the workplace. With this in mind, the Department of Defense Civilian Personnel Management Service recently launched a web-based tool for recordkeeping purposes called Safety First Event Reporting (SaFER) (Department of Defense, 2012). The innovative system is a new requirement for civilian employees who have suffered from a workplace injury or illness. After the injury or illness, data is entered into SaFER, and an

immediate Federal Employees Compensation Act (FECA) notification is sent to safety and compensation management personnel. The main purpose behind the system's implementation is to encourage personnel to keep better records.

With this in mind, the Army WC program needs to explore the use of an interdisciplinary model of care to maximize the use of services and minimize costs. Interdisciplinary care can be defined as a collaborative team approach to care in which different disciplines work together to share information and services. This process also includes the injured worker as central to the plan of care and essential to the case management outcomes (Elissen, 2011). These interdisciplinary teams communicate often, sometimes in person, to ascertain common goals and to track the worker's healing process (Leff & Novak, 2011). In addition, interdisciplinary care appears to be a key component to creating a culture for program safety and quality improvements (Reid-Ponte, Gross, & Milliman-Richard, 2011).

Most workers assume their organizations will take the necessary measures to ensure their safety in the work environment but work related injuries continue to occur at alarming rates (Zacharatos, Barling, & Iverson, 2005). A control-oriented approach is a common method for managing occupational safety. This type of approach is where workers are motivated to exert only as much effort as necessary for task completion and the manager's role is to "control" employee behavior. In other words, this method uses rules to enforce behaviors and punishment to increase rule compliance and occupational safety (Barling & Hutchinson, 2000). This form of injury management has not been very successful in motivating workers toward safer practices.

More recently, organizations have turned to a new way of encouraging workers toward safer work environments through the use of high-performance work systems grounded in transformational leadership principles (Zacharatos, Barling, & Iverson, 2005). These transformed workplaces create conditions that encourage employees to comply with safety measures because such measures are central to the goals of the organization. Management within high-performance work climates earns the trust and respect of the employees and in return the employees genuinely try to meet the organizational goals and expectations. In two research studies (N=189) investigating the relationship between high-performance work systems and occupational safety, the researchers found that high-performance work environments positively affect occupational safety and that this relationship is mediated by a trust in management personnel and a perceived emphasis on a climate of safety (Zacharatos, Barling, & Iverson, 2005).

Occupational safety and Worker's Compensation management programs consist of many complicated pieces. Program evaluation and change must be based on a thorough assessment of all the multifaceted components, evaluation of best industry practices, and the creation of a safe work environment based on trust, fairness, and efficient management and coordination of services for each individual employee who finds themselves injured in the workplace.

CHAPTER 3

METHODOLOGY

The civilian workforce encompasses over 300,000 employees and as of Fiscal Year 2012 (FY12), over 12,000 WC claims have been filed (USACR/SC, 2012). Factual data, reports, and records explain that injuries and illnesses are going to occur within an organization, especially in high hazard workplaces. With this in mind, the key to a successful WC program is cost effectiveness through the implementation and use of case management. Currently, the Army is accurately and efficiently reporting WC claims but there is a lack of comprehensive assessment which leads to a plan of care, rehabilitation, and potential job restructuring. In other words, there are significant gaps in the Army WC program that if not remedied, will continue to be a costly, ineffective method for identifying injured employees who are receiving WC, tracking the status of their claim, and getting personnel back to work in a reasonable amount of time.

Past figures reveal that the last two years the Army has spent over a \$2 billion on WC cases and the majority of the money was spent on long-term claims where the employees never returned back to work (USACR/SC, 2012). Currently, there is no structured case management process in place to assure that the appropriate medical care is being provided to the injured or ill employees. In order to obtain the best possible outcomes, case management services are most successful in an open environment that provides direct communication between the employee, case manager, and other service personnel. A case manager serves as a liaison between the

injured employee and the health care services. It is the manager’s goal to provide the best and most effective services necessary for the employee to return to work.

The first step toward analyzing and making positive changes in the Workers Compensation (WC) Program for the Department of the Army Civilian (DAC) employees is to identify the current issues and investigate the issues surrounding the problem.

With this in mind, from 2008 through 2012 the total cost and amount of WC claims has required the Army to pay an enormous amount of money to DAC employees (Table 1).

Table 1

Total Army Workers Compensation Cost from 2008-2012

Fiscal Year	Total Cost
2008	\$179 Million
2009	\$181 Million
2010	\$176 Million
2011	\$175 Million
2012	\$178 Million

Table 1 Note(s): This table explains the high dollar WC expenses for army civilian employees that were charged to the Army during 2008-2012. The data was extracted from the USACR/Safety Center Defense Portal Analysis Center, Civilian injury/illness claims; Army Historical Claim Count and Cost per Year, January 2012.

A case study approach will be used to assess whether or not the use of a case management approach would result in successful program change. The term “case management” is defined as obtaining the best services or practices possible for the least expense. This delivery style is currently being practiced by a variety of settings in the human services and health sectors (12th Case Management Society of Australia Conference , 2009). It is a collaborative process, that assesses, plans, implements, coordinates, monitors, and evaluates the services required to meet an individual’s

needs through communication and available resources to promote quality, cost-effective outcomes (Houten, 1988). The main focus of Case Management is to meet the employee's needs and the underlying philosophy infers that when an employee reaches his or her highest level of wellness, then everyone benefits. The parties involved in this process include the employee, their support system, the medical and health care providers, and WC and other reimbursement programs.

The most commonly reported positive outcome of a case management program is the worker's timely return to the workplace. Quality outcomes of this process include the improvement of a worker's quality of life and well-being after they have sustained an injury and the worker's satisfaction with the services and care they received during the healing process (Myerson & Parker-Conrad, 2006). As far as cost savings, WC cases that are managed through a case management program have consistently reported decreased medical costs for the organization and a decrease in lost work days (Myerson & Parker-Conrad, 2006). Case manager responsibilities and opportunities require conducting job analyses and functional-capacity job assessments and working with community agencies to provide the most appropriate and cost-effective services and care for employees and family members with complex illnesses and/or injuries (Chamberlin & Lawhorn, 2006). A successful case manager can be a registered nurse, social worker, or other health professional or lay person specifically trained to coordinate case management services. It requires careful attention to detail, excellent communication skills, assertiveness and the ability to work with multiple agencies and people to accomplish a common goal.

Company 1 Golden Standard

Company 1 employs over 250,000 people and serves as a valid and reliable, high quality data source during the research process. Company 1 management has worked diligently to curb WC costs and has successfully done so, according to their Vice President of Safety and Security (Personal correspondence Portale, 2013). Therefore, the hypothesis is that implementing their specific case management process into the Army's Workers Compensation Programs for DAC employees will decrease WC cost and encourage injured employees to return to work in a timely manner.

Subsequently, using a cohort of eight organizations that fall under Company 1, this project analyzed injury and illness factual data, compared injury and illness data to eight Army organizations, and presented a new plan using a new and more effective case management approach to decrease the Army's WC claims and costs.

Company 1 Worker's Compensation and Case Management Process

This project will begin with a breakdown of Company 1's case management strategies, how the process positively affects the injured employees and the people involved in the claim, and how the process enhances the overall WC program. In addition, Company 1 illustrates the importance of the Injury Management Statement which addresses an organizations' commitment to provide effective medical treatment through the case management process that allows the injured employee to return to their pre-injury status (Portale, 2010). After taking the Injury Management Statement into consideration, it is an organization's duty to provide an efficient workplace injury management program that will restore injured employees to their fullest physical,

psychological, and social ability. In order for a Workers' Compensation (WC) program to be successfully implemented into an organization, there are specific roles and responsibilities embedded into the process and Company 1 has implemented the following procedures into their program.

The first step includes the employee's responsibility to immediately report an illness or injury to a supervisor and taking the necessary actions to address first aid or medical needs. Employees and supervisors should be familiar with and participate in organizations' Injury Management Plan. The WC Specialist (or case manager) is accountable for notifying employees of their injury entitlements which includes claim and rehabilitation policies and procedures. The specialist also serves a liaison between the injured employee, supervisor, treating physician, and Loss Prevention Specialist and ensures that a thorough Personal Injury Plan is completed for injured employee. As a last point, the Loss Prevention Specialist is involved with the accident investigation and determines if workplace improvements and adjustments need to be implemented. Loss Prevention personnel also collect and analyze data involving injuries that occur while on transitional duty.

Best practices for reporting injury and illness claims include addressing reporting practices to employees, ensuring that a notification system is in place for WC claims, and requiring employees to follow a specific claim reporting process. The method for improving the reporting practices includes establishing a lag time metric which is the period of time between the date the injury or illness occurred and the date the claim was reported (Portale, 2010). The main way to ensure that a notification system is in

place includes educating all employees and supervisors of the tool used for documented AC claims. Finally, it is crucial that all parties are aware of and trained on the systematic steps to the reporting process. Reporting injury claims in a timely manner can be extremely valuable to the injured employee, his or her fellow employees, and workers involved with the claim. With this in mind, the beneficial factors include correcting potential workplace hazards, providing immediate first aid and medical care, reducing the employee's recovery time, and ultimately, enhances and encourages workplace safety.

A Transitional Duty program assists an organization execute the case management process (Portale, 2010). The process continually follows up with injury claims and tracks the progress of every employee in transitional duty or out of work. The program ensures that injured employees are steadily improving, guarantees that work restrictions are frequently updated, and require that employee's job assignments are gradually increased as their restrictions become less severe. The organization should set a precise time limit on transitional duty assignments. In order for the program to be successfully implemented, employees must know that transitional duty is not a permanent solution.

Army Worker's Compensation and Case Management Process

The Army's Workers Compensation program is a very intricate process that includes participation from the Department of Labor (DOL). Federal employees are responsible for following the Army and DOL's guidance documents. All federal employees must file an injury/illness claim form to their supervisor. The supervisor is

then responsible for providing the employee with a form that authorizes medical treatment from any physician. After receiving medical treatment the supervisor files a claim through the WC Office. The WC Office then submits the claim to the DOL OWCP for final review and to be processed. The WC Office is then responsible for sending a copy of the approved claim to DOL's designated mail location.

After a WC claim is filed by the federal employee a case manager is assigned to the case. The case manager continues to maintain contact with the employee, health care provider, collect medical documentation, and track the progress. When cases are not receiving the necessary DOL, medical or employee assistance the case manager can request additional help from a DOL liaison case manager.

Context of the Study & Selection of Participants

As previously stated, the study encompasses a private industry workforce whose headquarters is located in the Southeast United States. For the purpose of this study, the organization will be referred to as Company 1. Company 1 is responsible for administrating over 170 organizations located throughout the United States and England. Company 1 is responsible employing over 250,000 people.

The second organization that will be incorporated into the study is the Department of the Army Civilian workforce whose headquarters is located in Washington, D.C. The Army is responsible for administering over 160 organizations located throughout the United States and internationally. The civilian workforce is responsible for employing over 300,000 people.

Research Methods

The research process in this study will explore both private industry Company 1 and the Army's current WC system, determine industry best practices for implementing successful Case Management, and develop recommendations for implementation into the current Army system for system improvement, cost savings, and better worker outcomes. This particular research and process improvement project will use a quantitative methodology to gather numerical data that will be used to compare relevant WC program data in regards to work place Carpel Tunnel injury and recovery in Army civilian employees and employees working for Company 1. However, the study will also use qualitative methodology to review the programs, policies, and procedures from the Army and Company 1.

Data Collection

Qualitative research was the first approach used to collect archival data within Company 1 and the Army. Data was collected from eight random Army organizations and eight random Company 1 organizations. All fourteen of the organizations were located in the United States. The data collection process included reviewing WC policies and programs, case management principles, and return to work programs. Quantitative research was the second approach used to collect statistical data of a random sample of WC claims.

Workers' Compensation Injury Data and Databases

The accident and injury data was gathered through a quantitative research approach. The Army WC data collected for the study was collected from an internal

online database created and used by civilian personnel to record and track work related accidents, injuries and illnesses. WC Offices and case managers rely on the database to report all Army civilian WC claims and the associated costs. This database is only used by authorized employees to include safety and occupational health professionals, case managers, WC personnel, and professions that manage and/or report WC claims. With this in mind, the database does not include the individual's name or personal information it only accounts for the workplace location, type of injury, total cost, and year the claim was filed.

The injury/illness data collected for Company 1 was gathered from an internal database that is only used by upper-management, safety and occupational health professionals, health care professionals to record and track work related injuries and illnesses. The database contains all information associated with the WC claim (name, date, injury, gender, age, location, date filed, brief accident report), the total injury cost, and the total saved costs. However, prior to receiving the data, all personally identifying identification (PII) was removed from all individual claims. There were no names, telephone numbers, mailing addresses, accident reports, along with any other type of personal information that could possibly identify the injured employee. The only information that was received was the injury type, workplace location, total costs, and year the claim was filed.

Army and Company 1 Cost Data

The specific injury/illness data retrieved from the Army and Company 1 includes data sets from Carpal Tunnel Syndrome (CTS) filed in 2008, 2009, 2010, 2011, and 2012.

The two organizations extracted 30 WC cases based on the following factors, specific injury type and the year the injury occurred. The 60 WC claims that were randomly selected included the following variables; injury type, injury file date, workplace location, and total cost. All data sets were extracted from organizations that are located within the United States.

Injury Type

As previously mentioned, Carpal Tunnel Syndrome (CTS) serves the injury/illness that was chosen for the study. CTS is a progressively painful hand and arm condition caused by a pinched nerve in the wrist. It can also be classified as a work related occupational illness and can be mitigated with the proper treatment. Medical treatment and physical therapy often relieves the pain and numbness and restores normal use of the hands and wrist. Common causes of CTS include repetitive and forceful hand/wrist movements and sprain or fracture to the wrist. Typically, CTS symptoms are developed in the dominant hand. CTS is not confined to a single industry and has had a direct effect on a variety of employees within different professions and ages.

CHAPTER 4

RESULTS AND DISCUSSION

In this chapter, the results and findings of the Army's and Company 1's WC and case management policies and procedures and the statistical analysis of 30 WC Carpel Tunnel cases will be revealed. The discussion section will address the Army's WC program and case management procedures, provide a description of why Company 1 serves as a gold standard private industry, and compare the costs and outcomes of both programs. Finally, this chapter will provide recommendations for program enhancement and improvement.

Data Results

After researching eight Army organizations, the following variables were observed within the WC programs and case management procedures:

- 1) All WC offices are responsible for filing and managing WC claims
- 2) Inconsistent Accident Investigation Procedures
- 3) After receiving a WC claim, some offices performed a thorough review to ensure its validity. However, other offices do not review the claims validity and immediately file for injury compensation
- 4) Case managers have trouble accessing previous medical history and WC claims of the injured employee.

- 5) Inconsistent WC Programs from location to location. WC program goals and objectives varied within each organization.
- 6) Inconsistent WC Programs, some offices simply file every injury claim; there is no process, structure or sequence before filing the claim. However other organizations follow up with claims that seem suspicious or needs a further investigation to ensure validity.
- 7) Inconsistent Return to Work Programs, some organizations have developed their own programs while other have no program in place.
- 8) For the locations that have established Return to Work Programs, the organizations focus on days away from work, bringing employees back to work and placing employees on light duty status
- 9) Quarterly updates of WC injury expenses and injury status to upper management

The lack of consistency reiterated the fact that Army's system for attempting to manage workplace injuries and care services has the possibility of being ineffective and allows for gaps in services.

The following variables were observed within Company 1's WC program and case management procedures:

- 1) Upper management developed and implemented a WC program and incorporated the plan into all Company 1 organizations
- 2) A stringent Return to Work Program that focuses on days away from work and costs

- 3) The case managers use a detailed Injury Management Policy that includes the injury type, injury code, estimated cost of injury, and estimated days away from work. All WC cases use the policy.
- 4) Upper management has created injury timelines and holds the case managers accountable for implementing the Injury Management Policy and following the injury timelines.
- 5) Monthly updates of WC injuries expenses and injury status to upper management
- 6) Upper management has developed a Return to Work Program and has implemented the program into all organizations.
- 7) The organizations are required to update and submit their WC program on an annual basis (at a minimum)
- 8) Upper management has established an Accident Investigation Program for all WC claims and has incorporated the program throughout the organizations.

Army and Company 1 WC policies and programs, case management principles, and return to work programs are directly compared in Table 2.

Table 2

A Comparison of the Qualitative Findings between the Army and Company 1

Workers Compensation Policies and Programs

Army	Company 1
1) Inconsistent programs/policies	1) Program developed at HQ level and implemented throughout all organizations
2) Some organizations had developed their own WC Program	
3) HQ has not implemented a WC Program throughout all organizations	2) Successful WC Program
4) Lack of Accountability	3) Responsible for Annual updates to Management on the effectiveness of the WC Program

Case Management Principles

Army	Company 1
1) Inconsistent programs/policies	1) Developed a strict Injury Management Policy
2) 2) Case Managers feel overwhelmed and overworked	2) Manages costs and days away from work
3) A lack of accountability	3) Provides continual updates to management on current WC cases

Table 2 Note(s): HQ represents Headquarters. The data was compiled from eight Army and eight Company 1 organizations. The data collection included WC policies and programs, case management principles, and return to work programs.

Table 2 (continued)

Return to Work Program	Company 1
Army 1) Inconsistent programs/policies 2) Program has not been developed at HQ level and distributed throughout all organizations A lack of accountability	1) Program developed at HQ level and implemented throughout all organizations 2) Successfully brings employees back to work 3) Provides continual updates to management on current WC cases

Table 2 (continued) Note(s): HQ represents Headquarters. The data was compiled from eight Army and eight Company 1 organizations. The data collection included WC policies and programs, case management principles, and return to work programs

Data analysis for the 30 cases revealed a significant difference in the mean total cost of Carpal Tunnel syndrome injuries between the Army and Company 1 ($t=2.43$, $p=.02$). The mean total cost for the Army was \$21,210 (SD=40,321) while the mean total cost for Company 1 was \$4,129 (SD=7,102).

Discussion

The cost analysis between the Army and Company 1 illuminated the fact that there is a large difference in the amount of money spent towards each WC claim. According to the data sets, that Army spends an extra \$17,000 on WC CTS claims as compared to Company 1. Details as to the costs of specific healthcare services were not collected so there may be differences associated with the private company’s ability to negotiate lower costs for services. However, it is feasible that the military could also curtail medical costs with better case management processes in place. Through process

analysis of the current WC process, this author will propose recommendations of how the Army can decrease injury cost through process improvement change.

Evaluation of an Effective Injury/Illness Database

The injury/illness reporting database used by Army civilian employees captures the total injury cost but focuses more on the total days away from work. In contrast, Company 1's injury/illness reporting database does not record the days away from work and focus' on the total injury cost and reserved cost. A set amount of money allocated for one specific injury and was not spent towards the claim, is known as the reserved cost. Company 1 is a for-profit company whose goal is to generate revenue and make money. While the welfare of the employee is important, the main concern is the injury cost to the company.

From a financial viewpoint, the first recommendation is the Army database should focus on collecting the total cost spent towards each claim instead of just lost work day's data. This would force the organization to acknowledge the high dollar cost amounts being spent towards WC injuries. Secondly, the Army's database should develop and implement a Reserved Cost policy and begin tracking the total cost saved per claim. This would create a best practice within the Army by encouraging the organization to recognize the average cost per claim and help to manage overspending.

As per the Sarbanes-Oxley Act that was implemented in 2002 throughout the private sector to ensure financial accountability and protect shareholder's investments, the government should exercise the same financial principles (The Sarbanes-Oxley Act, 2006). In this study, the tax payers would serve as the shareholders for the public sector

because they fund the operation. The public sector should strive to achieve a fiduciary relationship with the shareholders because they have the legal responsibility to act in the tax payer's best interest. Furthermore, adopting this financial management principle would also hold upper management accountable for managing the high-dollar WC cost, recognizing that there is an issue, and ensuring that programs and policies are in place to mitigate the overspending.

Gaps in Case Management

The Army WC programs, policies, and doctrine that were reviewed in the methodology chapter included the following gaps and inconsistencies; a lack of implementation of a return to work program, case management principles and policies, and cost accountability from upper-management. Very few Army organizations have established a return to work program and/or were implementing the return to work program. With this in mind, the WC departments felt as though they were understaffed with case managers. The case managers were drastically overwhelmed with WC claims, and due to the lack of time, had failed to follow up with the injured employee. As previously mentioned, each case manager was responsible for managing 200-400 claims per year.

In comparison, Company 1 ensures that case management policies and procedures are fully implemented in every WC case. Company 1's case managers affectively manage their work load and provide updates for each claim in a timely manner. Company 1's case managers successfully ensure that injured employees are receiving the necessary medical care and returning to work in a timely manner. The

Injury Management Policy is implemented throughout the case management process, if an injured employee exceeds the allotted days away from work; the case manager is notified immediately and responsible for following up with the claim.

The second gap includes a lack of consistency with medical care. The injured Army civilian employees have the option of seeking medical treatment from any certified health-care professional within the public sector. The Army case managers rely on the public healthcare physician to provide valid updates and guidance on the recovery time of the injured employees.

Army employees are required to comply with Federal WC laws and Company 1 complies with state WC laws. In regards to state WC laws, the ability for the injured employee to choose their own physician will vary from state-to-state. However, to address the different state requirements Company 1's case managers are responsible for overseeing the process and managing the claim as per the law of each state.

However, an injured employee from Company 1 is limited to a list of designated physicians and healthcare professionals. These medical professionals are considered to be credible sources and are very familiar with Company 1's WC program requirements. The second case management best practice used by Company 1 is the injury management policy which includes a list of injury type and codes. The injury code identifies the total estimated cost and days away from work that is associated with the specified injury. The policy was developed at Company 1's headquarters and implemented throughout the organizations. When an employee successfully files a WC claim, each claim is compared to the injury management policy which provides an

estimated timeline. After the WC claim is filed, case managers continue to administer each claim to ensure accuracy and eliminate overspending. If a claim exceeds its expected timeline, extends the days away from work, and/or surpasses injury cost, upper management contacts the case manager immediately and requests a status update of the claim.

Through this research and process analysis, the following changes could be made to the Army WC process to ensure a more cost effective system. First, the Army should identify a valid list of approved health care providers and medical professionals. These providers will ensure that each claim is accurately evaluated and then treated in the most cost-effective manner. This will improve the cost inconsistency of each claim. The health-care providers should also be familiar with the Army's WC program.

Secondly, the DAC headquarters should develop an injury management policy that is implemented by all organizations. The policy will identify each injury code, the average cost per injury, and average days away from work. The Army should hold the organizations accountable by ensuring that all WC claims are in compliance with the policy. Additionally, the Headquarter staff should provide training to educate employees on policy requirements, importance, and implementation measures. Third, when an injured employee exceed the days away from work, upper management should immediately follow up with the case manager and request an update. Finally, case managers should be trained on the importance of thoroughly investigating each claim prior to approval.

Accident Investigation

In regards to accident investigation, Company 1's WC policies recommend that the supervisor and/or case manager review each claim to ensure validity and eliminate fraudulent claims. They also recommend that if a claim seems inaccurate an investigation should be initiated. However, supervisors and case workers are not researching the background of the injury/illness and are forgetting to illuminate fraudulent claims.

Company 1 requires the necessary documentation prior to processing the claim. If the case manager feels there are any uncertainties, the safety officer will initiate an immediate accident investigation. The safety team has determined inaccuracy to numerous WC claims.

Stark differences occur between the Army investigation process and Company 1 accident investigation and WC processes. In regards to the Army's Accident Investigation process, a single program and/or policy has not been implemented into Army organizations. Because of this there are some recommendations for positive change. First, headquarters should develop specific procedures for reporting a WC claim and train employees on the procedures. The standard operating procedure should address the importance of each injured employee providing credible injury information and medical documentation. The procedures should also incorporate the probability of a false claim. If there is a flaw or question as to the accuracy of the WC claim, the Safety Office or Case Manager should initiate an accident investigation. Both

parties are then responsible for reporting all findings to upper management and/or the WC office.

In conclusion, the Army should develop and incorporate case management theories and processes into their WC Program for civilian employees. Case management principles should be established at the Army Headquarters level and distributed down throughout the organizations. Ultimately, the case management process and program will ensure that employees are receiving the medical assistance required to return to work. Healthy employees will begin returning back to work in a timely manner and this will not only enhance the organization but assist in the overall readiness of the Army. In a time of monetary restraints, case management strategies will monitor WC expenses, reduce overspending of WC claims, eliminate fraudulent claims and foresee potential problems. If implemented correctly, the organization can save significant amounts of money.

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